TEXPROCIL NEWS CLIPPINGS

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INTERNATIONAL NEWS

US textile-apparel imports from Turkey rise 50% till October '21

Turkey-US trade is witnessing record high figures since the beginning of this year. US textile-apparel imports from Turkey registered $2.370 billion in the first ten months of this year, which is a nearly 50 per cent increase over imports of $1.586 billion in the same months of 2020, according to data from the Office of Textiles and Apparel (OTEXA).

Category-wise, US apparel imports from Turkey rose by a sharp 62.39 per cent to $702.627 million, compared to $432.681 million during January-October 2020. While non-apparel textile imports rose 44.66 per cent to $1.667 billion in January-October 2021, over $1.252 billion in the comparative period of last year.

This increase in textile-apparel export by Turkey, is in line with the growth in its overall exports to the US that have increased by 45 per cent year-on-year during January-November this year to $13.2 billion, according to the Turkey-U.S. Business Council. On the other hand, Turkey imported $11.7 billion of goods from the US during the same period.

One of the reasons for a surge in US-Turkey trade is the steps taken for resolving Section 301 digital services tax investigation, which otherwise would attract additional 25 per cent customs tax on Turkish products entering the US.

Source: fibre2fashion.com– Dec 14, 2021

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Rules of origin of goods subjected to tariffs, duties key for trade under AfCFTA: Tralac

The Trade Law Centre (Tralac) says trade under the Africa Continental Free Trade Area (AfCFTA) cannot start until tariff books reflect the outcome of the negotiations on tariff concessions, and the rules of origin for products are finalised.

African countries were meant to have started trading under the AfCFTA from the 1st of January this year, however, negotiations among all 54 member states are still under way.

Executive Director at the Trade Law Centre, Trudy Hartzenberg, says the rules of origin that stipulate which goods will be subjected to tariffs and duties must be finalised in order for trade to commence. The AfCFTA aims to phase out 90% of tariff lines over the next 10 years.

"So there was a deadline set for the 30th of June this year to have all the tariff offers set on the table, and this has not happened and that hasn't happened either. Some tariff offers have been made by the AfCTA secretariat but we're still at a point where all member states have not submitted tariff offers that meet the modalities as agreed upon," explains Hartzenberg.

Hatzenburg says so far the rules of origin for 87% of tariff lines have been agreed upon.

"Automotive products textiles and clothing some 568 tariff lines. And there are some key challenges when it comes to the textile and clothing industries because so many countries have an interest because they have a garment factory for example but they want to expand that. But major challenges lies in the textile industry. The lack of sufficient yarn and fabric production on the continent to meet the demand of the grarmet manufacturing industry across all countries," Hartzenberg adds.

The founder of the Trade Law Centre, Professor Gerhard Erasmus says disputes between countries are currently settled through consultation and not litigation.

"The dispute settlement mechanism of the AfCTA is modelled on the WTO dispute settlement understanding. It has panels, in other words there are three phases. If a dispute settlement party with another one the first phase is to call for consultation. If you solve the problem there fine, well done. If you still disagree after consultation then go to the dispute settlement body." The Trade Law Centre says a list of product definitions and tariff codes will be made available from the 1st of January 2022.

Source: sabcnews.com– Dec 13, 2021 HOME

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Tunisia's 'ambitious' plans for trade relations with UK outlined by ambassador

Tunisia's 'ambitious' plans for trade relations with UK outlined by ambassador

Tunisia's Ambassador to the UK hailed the "positive and encouraging" developments in bilateral trade relations at an investment forum held in London.

Speaking at the fourth Tunisia-UK Trade and Investment Forum, Nabil ben Khedher said Tunisia was an "attractive" business partner for post-Brexit Britain.

"We are looking to boost trade in the agro-food, textiles and IT sectors" said Mr Khedher at the event hosted by the Arab British Chamber of Commerce.

"Tunisia is an attractive and efficient place to manufacture goods for the UK ... because of our past relationship with the EU, we can produce at a low cost and in a short time and can be a major partner for the UK textile and clothing industry."

Covid-19's disruption of supply routes has drawn attention to the need to look to neighbouring countries, he said.

Tunisia is less than three hours away by plane, with shipping routes taking four to five days to reach the UK.

The small North African country signed an association agreement with the UK in 2019, one of several continuity agreements entered into by the UK as part of its post-Brexit business and trade relations.

Kicking off the forum, chairman of the Arab British Chamber of Commerce Baroness Symons said Tunisia had "so much going for it", including a highly educated and skilled population and its geographical location as "gateway for Africa".

This year the UK increased tariff-free quotas on the import of Tunisian olive oil tenfold to 7,723 tonnes, from 600 tonnes, a development that was celebrated by the British Minister of State for the Middle East and North Africa, James Cleverly, during a visit to Tunisia in June.

During his visit, Mr Cleverly attended an olive oil tasting event at the UK embassy in Tunis and praised the high quality of the local produce, saying "I have no doubt that when British citizens taste the Tunisian olive oil, they will become addicted to it".

Despite the potential economic windfall from the increased import allowances, Mr Khedher said that the pandemic had made it hard to develop new business opportunities, with plans for trade missions being scrapped due to travel restrictions throughout the year.

“Covid made it difficult to get delegations over from Tunisia to introduce producers to the market, which would have been a game-changer, but I am optimistic that by the end of next year we will see much higher volumes of olive oil in British supermarkets,” said Mr Khedher.

He went on to call the current UK-Tunisia Association Agreement a “transition” and said the country’s mission was to “lift all quotas” and to promote other trade and business relations with Tunisia.

According to the Foreign Investment Promotion Agency in Tunisia (Fipa), the UK is currently ranked the 12th largest foreign direct investor in Tunisia, with 91 British companies operating in the country in the clothing, electronic and tourism sectors.

Speaking at the event, director of Fipa's Invest in Tunisia agency Zeid Braham said the Information Technology field was a nascent but growing avenue for investment in the country.

According to figures he provided, the IT industry in Tunisia has grown by an average annual rate of 8 per cent in the past five years and has contributed 10 per cent towards the country’s GDP.

“The Tunisian IT sector is fully engaged in emerging technologies, from artificial intelligence to augmented reality and blockchain and we have become an internationally recognised destination for telematics and e-mobility,” Mr Braham told attendees at the forum.

The automotive industry was another arena he lauded Tunisia’s progress in, with average annual production growth standing at 12 per cent and contributing 4 per cent of the country’s GDP.

“We are [among] the top three producers of automotive components in Africa and among the 10 main suppliers of wire harnesses to the EU,” said Mr Braham. “Tunisia covers the entire value chain of the industry and our volumes of export are worth 2.1bn pounds with 70 per cent to 80 per cent of that going to Europe.”

The textiles sector remains one of the country’s largest and most lucrative industries, accounting for about 160,000 jobs across more than 1500 apparel companies present in Tunisia. Mr Braham said there were also plenty of investment opportunities in the pharmaceutical, electronic components and agri-food industries.

Tunisia’s well-educated human capital, low 15 per cent corporation tax rate and proximity to both Europe and Africa were among the “greatest assets” promoted at the event.

“We have 60,000 new graduates a year and 18 per cent of them [are] from the fields of engineering and ICT, with high levels of multilingualism,” he said. “We have a pool of international level talent at competitive costs … the opportunities for growth in Tunisia are very big.”

Source: thenationalnews.com– Dec 14, 2021 **HOME**

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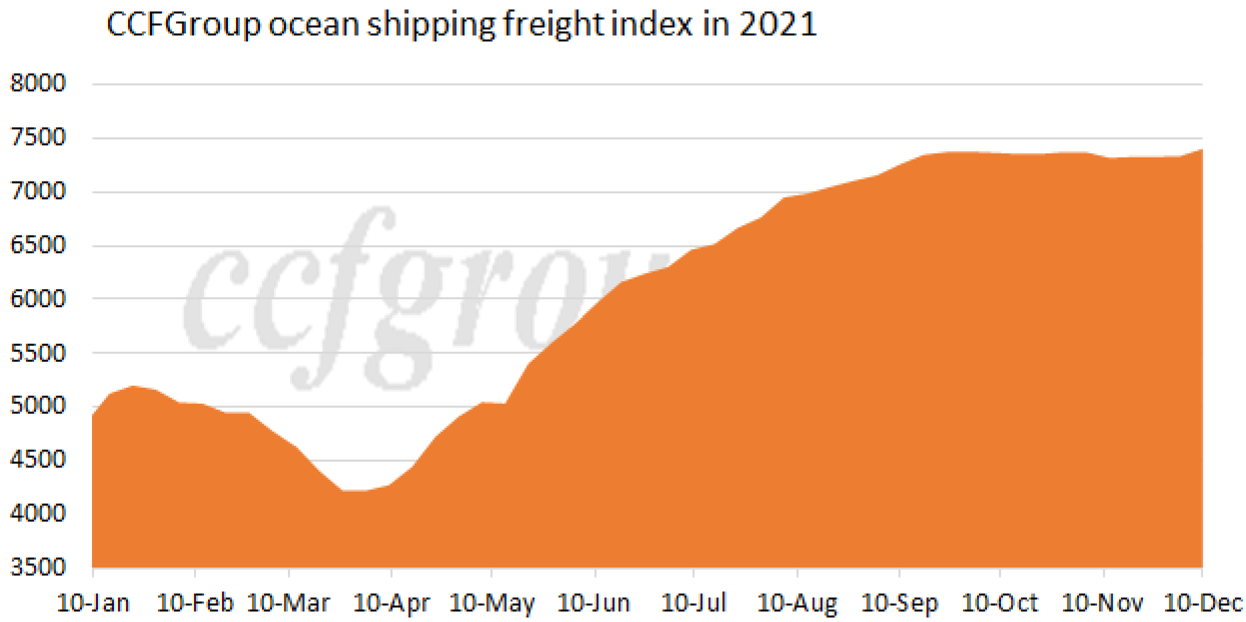
Container marine market may be stable and robust in 2022

During the peak-season before the Lunar Chinese New Year (Feb 1) holiday, hiking sea freight from China to Southeast Asian nations nearby added some fire to the hot marine market which has been disrupted by the pandemic.



According to the Ningbo Container Freight Index, the freight of Southeast Asia route hit historic high in recent one month. The freight from Ningbo to Thailand and Vietnam surged by 137% from end-Oct to the first week of Dec. Reflected by some insiders, the freight of one 20-foot container from Shenzhen to Southeast Asia has hiked to $1,000-2,000 now from $100-200 before the pandemic.

It was reported that Southeast Asian nations were resuming production and showed recovering demand for materials. Many shipping companies focused on trans-Pacific route since the third quarter as export demand was expected to be huge due to the Black Friday and Christmas Day. As a result, short-distance shipping space was tight. The congestion of ports in Southeast Asia is estimated to sustain in short term supported by booming shipping demand.

Looking at the way forward, some industrial insiders thought Asian trade is anticipated to embrace a new era as the RCEP will be come into effect.
European route:

Europe was the area where Omicron variant was discovered earlier. The spread of pandemic worsened apparently. Players' demand for the transportation of various goods sustained high. The shipping capability was largely unchanged. With stricter regulation at ports, the congestion remained. The average utilization rate of seats at Shanghai port was almost near 100% recently, with stable freight. As for the Mediterranean route, the average utilization rate of seats at Shanghai port was around 100% amid stable transportation demand.

Many Omicron variant infected cases emerged in US recently with the daily new infections of COVID-19 pandemic exceeding 100,000 again. The spread of pandemic was serious now. Players showed high demand for various commodities including the pandemic prevention materials. The stagnated of containers and the congestion at ports caused by the pandemic kept serious. The average utilization rate of seats in W/C America Service and E/C America Service was still near 100% at Shanghai port. The sea freight kept high.

Western ports in the United States include Los Angeles/Long Beach, where delays and congestion remained severe due to labor shortages and land-side traffic problems, container stagnation and poor transport turnover. There has been a marked increase in the number of blank sailings between Asia and the United States, with an average of 7.7 suspensions per week in the first nine months of this year. On December 6, the ports of Los Angeles and Long Beach announced that they would postpone the collection of "container overstay fee" from shipping companies for the fourth time, and the new charge was tentatively scheduled for December 13.

The ports of Los Angeles and Long Beach further indicated that since the announcement of the charging policy, the number of containers stranded in the ports of Los Angeles and Long Beach has decreased by a total of 37%. In view of the fact that the charging policy has greatly reduced the number of stranded containers, the ports of Los Angeles and Long Beach decided to postpone the charging time again. Port congestion is a global phenomenon that causes serious delays and forces carriers to onmint ports, particularly in Europe, while imports from Asia are expected to remain strong until late-Jan. Port congestion has delayed the shipping schedule, so the capacity has been shelved.

Carriers may encounter increasing suspension of shipping and onmint of ports among the trans-pacific trade in Dec. Meanwhile, shipping companies may skip over the ports in Asia and America to resume the shipping schedule.

According to the latest data released by Drewry on December 10th, in the following four weeks (week 50-1), the world's three major shipping alliances will cancel a number of voyages successively, with the THE Alliance to cancel the most 19 voyages, the 2M Alliance 7 voyages, and the OCEAN Alliance 5 voyages at least.

So far, Sea-Intelligence predicts that trans-Pacific routes will cancel an average of about six schedules a week in the first five weeks of 2022. As time approaches, shipping companies are likely to announce more blank sailings.
Market outlook

Some industry insiders said that the previous decline in shipping prices did not mean that the export scale will weaken in short term. On the one hand, the price drop was mainly reflected in the secondary market. In the primary market of container freight, the quotations of shipping companies and their direct agents (first-class forwarders) were still strong, still much higher than the level before the pandemic, and the demand on shipping market as a whole remained strong. On the other hand, since September, supply of global shipping has gradually improved and formed a certain support for exports. Players expected this improvement to continue, which was an important reason for the price reduction of freight forwarders in the shipping secondary market.

Reflected by the latest data, freight index extended higher, which indirectly echoed good demand on container marine market. The congestion of ports has eased but demand for container marine transportation sustains high. In addition, the appearance of Omicron Variant intensifies the worries on the recovery of global economy. Some market players expect freight to sustain high impacted by the deteriorating spread of the pandemic in short run.

The Moody's lowers the outlook for global shipping industry to be “stable” from being “active”. Meanwhile, the EBITDA of global shipping industry is estimated to reduce in 2022 after outperformed in 2021 but may be still far higher than the pre-pandemic level.

Some players expect container marine market to remain stable and robust but the situation is unlikely to be better than it is now in the following 12-18 months. Daniel Harli, Vice President and Senior Analyst of the Moody's, expressed that the income of containerships and bulk cargo ship both hit record high but it may reduce from peak and keep high. Based on the data from Drewry, the profit of container marine market is expected to hit record high at US$150 billion in 2021, which was at US$ 25.4 billion in 2020.

The shipping scale of the previous global top 5 liner companies only accounted for 38% of the total in 2008 but the proportion has surged to 65% now. According to Moody's, the integration of liner companies is helpful for the stability of container marine industry. The freight is estimated to remain high in expectation of limited delivery of new ships in 2022.

Source: ccfgroup.com- Dec 14, 2021

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BGMEA - brands will pay more for sustainability

After going from strength to strength over the last four decades, Bangladesh's garment industry suffered something of a shock last year when it fell behind Vietnam as a sourcing destination.

That was largely down to the impact of the COVID-19 pandemic which saw the bulk of the country's 3,500 garment factories closed for up to two months and cost the industry US$3.26 billion in order cancellations, although most of these were subsequently reinstated.

Faruque Hassan, who became the president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) in April, has recently led a charm offensive designed at cementing his country's role as a leading sourcing destination for brands.

Source: ecotextile.com– Dec 13, 2021

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South Africa to guide textile units on sound practices

South Africa will assist small and medium enterprises in the textile sector to address environmental challenges through sustainable business practices. This will be done by implementing eco-innovation and life-cycle approaches to improve circularity within the textile industry. The Innovative Business Practices and Economic Models in the Textile Value Chain – or InTex – project is being implemented by the National Cleaner Production Centre South Africa (NCPC-SA) working with a technical partner, Centre for African Resource Efficiency and Sustainability (CARES). The project is funded by European Union and managed by UNEP in Tunisia, Kenya and South Africa.

During the first phase of the project, a target of 10 companies will be assisted and at the end of the phase five case studies will be developed to share the impact and encourage further uptake of circular economy principles and innovative business practices in the sector. The whole point of this project is to promote innovative business practices and economic models in the textile value chain. The second phase of the project will see the implementation of the project being extended to other textile companies through hosting of training and capacity building workshops.

Small and medium units will benefit from the training workshops by learning about eco-innovation, product environmental footprint and circular business models and gain access to tools and guidelines that can help make their business more sustainable, circular, and resilient. Further, by being part of the project, they will also learn how to calculate and communicate the environmental footprint of their textile product and develop new business strategies and underlying business models by following the eco-innovative approach.

Source: fashionatingworld.com – Dec 13, 2021

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NATIONAL NEWS

India and the UAE to wrap up the Comprehensive Economic Partnership Agreement (CEPA) by next month, says Shri Piyush Goyal

"This would probably be one of the fastest trade agreement between two countries ever made": Shri Goyal

"Some of the elements of the agreement are the first of its kind, particularly for both countries" – Shri Goyal

Shri Goyal said Indian economy has recovered from what it had contracted last year due to Covid

The Union Minister of Commerce & Industry, Consumer Affairs & Food & Public Distribution and Textiles, Shri Piyush Goyal has said India and the UAE will wrap up the Comprehensive Economic Partnership Agreement (CEPA) by next month. "Hopefully by the end of this month or next month, we hope to conclude them (the negotiations) so that this would probably be one of the fastest trade agreement between two countries ever made," he said, addressing the India Global Forum, UAE-2021 through video conference. Shri Goyal said the agreement will be a mutually beneficial win-win solution for both countries, "provide market access to each other. Some of the elements of the agreement are the first of its kind, particularly for both countries."

Shri Goyal said, this year Indian economy has been able to "largely recover" from what it had contracted last year due to the "very severe lockdown" we had imposed to tackle the Covid. "We have been able to look at very attractive growth rates, - Second quarter, that's July-Sep, we grew at 8.4% which is one of the fastest growing growth rates in the world today. Our investments are at an all-time high, we are getting some of the highest FDI or FPI in recent months. Indian businesses are showing more compliant growth, more profitability growth. In the last few months our exports have been at an all-time high, - both merchandise and in services."

Source: pib.gov.in - Dec 103, 2021

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USDA expects India's cotton picking to rise on higher prices

The latest report on India's cotton and products for the season 2021-22, stated that the country's cotton picking will be higher as prices of the fibre firm up.

Despite the October rains in parts of the country disrupting arrivals, there are possibilities of an increased picking as farmers would look for higher realisations from the crop.

The Foreign Agricultural Service (FAS), Mumbai of the United States Department of Agriculture (USDA), has projected India's cotton output for the season at 28 million bales , which works out to about 359 lakh bales (each of 170 kg). The production estimates are in line with Cotton Association of India (CAI)'s projection of cotton crop at 360.13 lakh bales — up 7 lakh bales from 353 lakh bales estimated for last year 2020-21.

"Due to high farm-gate seed cotton prices, the number of pickings will likely be higher as farmers expect better price realisation," it noted in its report released on December 7.

The current farm-gate prices for Shankar-6 variety in Gujarat have increased by 31 per cent since October, noted the USDA report. The ginned-processed cotton prices now quote at ₹64,900 a candy (each of 356 kg) against ₹57,000 at the beginning of October.

"Cotton picking continues in Central and South India, where farmers are being advised to drain out excess water from the standing crop and monitor for bollworm and sucking pest infestation," said the report adding that the rains in early October in parts of North and Central India had delayed the harvest.

The Union government, in its first advance estimate for the kharif crops released in September this year, had projected cotton output at 362.19 lakh bales for the year — about 10 lakh bales higher than 353.84 lakh bales recorded last year. Later on November 12, the Committee on Cotton Production and Consumption (COCPC) published its marketing year 2021/22 cotton estimates projecting the output flat at 362 lakh bales.

On the arrivals, cotton inflow is seen at about 53.3 lakh bales, as on November 25. Current crop arrivals represent 14.7 per cent of the total estimated production for marketing year 2021/22. Last year, the arrivals during the same period were 22 per cent higher.

The pace of arrivals is expected to pick up in coming weeks as the weather improves, and the harvest accelerates, noted the USDA report.

Source: thehindubusinessline.com - Dec 13, 2021

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India's retail inflation inches up to three-month high of 4.91% in November

Overall, inflation in the food basket was 1.87% in November compared to 0.85% a month earlier. However, it was significantly down from 9.5% in November 2020

Retail inflation inched up to a three-month high of 4.91 per cent in November, mainly due to an uptick in food prices, government data showed on Monday.

The Consumer Price Index (CPI) based inflation, however, remained within the comfort zone of the Reserve Bank of India. The government has mandated the central bank to keep the inflation at 4 per cent (+/- 2 per cent).

The annual CPI inflation was 4.48 per cent in October 2021 and 6.93 per cent in November 2020. It had eased from 5.3 per cent in August to 4.35 per cent in September and then moved up to 4.48 per cent in October.

As per the data released by the National Statistical Office (NSO), inflation in vegetables segment was negative on a yearly basis. However, it was on the higher side as compared to the preceding month.

The rate of price rise in the 'oils and fat' segment was 29.67 per cent year-on-year. The inflation was, however, lower in November over October.

On the other hand, inflation in the fruit basket was higher in November over the preceding month.

Overall, inflation in the food basket was 1.87 per cent in November compared to 0.85 per cent a month earlier. However, it was significantly down from 9.5 per cent in November 2020.

With the Centre and state governments reducing taxes on petrol and diesel, inflation in the 'fuel and light' segment was low on a sequential basis.

Aditi Nayar, Chief Economist, ICRA, said the recent correction in prices of many food items other than tomatoes, has provided relief for the inflation trajectory, especially given the unfavourable base effects that lie ahead.

"In our assessment, as long as the CPI inflation remains within the target of 2-6 per cent, the Monetary Policy Committee and RBI will prefer to prioritise growth, and maintain policy support to impart durability and sustainability to the recovery," she said.

Morup Namgail, Head-Agritech, IFFCO Kisan Sanchar Ltd said the comforting feature for the common man is the declining prices of vegetables on an annual basis, which to a large extent can be attributed to seasonal factors and decline in transport cost on account of reduction in prices of petrol and diesel.

The Reserve Bank, which mainly factors in the retail inflation while arriving at its bi-monthly monetary policy, has been tasked by the government to keep the inflation at 4 per cent with margin of 2 per cent on either side.

The RBI had last week said over the rest of the year, inflation prints are likely to be somewhat higher as base effects turn adverse. However, it is expected that headline inflation will peak in the fourth quarter of the current fiscal and soften thereafter.

The RBI has projected the CPI inflation at 5.3 per cent for 2021-22.

The NSO collects the price data from selected 1,114 urban markets and 1,181 villages covering all states and union territories through personal visits.

During November 2021, NSO collected prices from 99.7 per cent villages and 98.4 per cent urban markets.

As per the data, inflation in the rural areas was 4.29 per cent and in urban India it was 5.54 per cent.

Madhavi Arora, Lead Economist, Emkay Global Financial Services, said, "The inflation print for November has come out a tad lower our expectations, but does little to change the narrative ahead."

"Going ahead, we remain watchful of various inflation push and pull such as excise cut-led fall in fuel price hike, telecom tariff hike, volatility in vegetables prices, correction in global commodity prices and early signs of easing supply chains globally (and possible reversal of the same amid Omicron strain)," she added.

"Inflation ticked up at the headline level in November, while softening on the sequential basis, staying within the RBI's target range for a fifth consecutive month. Base effects were favourable alongside softer sequential rise in the heavyweight food inflation.

"For now, policymakers are opting to tolerate higher inflation to give growth a chance, however we expect the balance to shift next year," Radhika Rao, economist, DBS Bank told Reuters.

Source: business-standard.com- Dec 13, 2021

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Over Rs 75k crore paid to MSME vendors

A special sub-portal within SAMADHAAN portal and an online reporting system has been developed for reporting the dues and monthly payments by ministries.

The government ministries, departments and central public sector enterprises have paid dues of over Rs 75,472 crore to the micro, small and medium enterprises (MSMEs) vendors between June 1, 2020 and October 31, 2021, minister of state for finance Pankaj Chaudhary said in a written reply to a question in the Lok Sabha on Monday.

A special sub-portal within SAMADHAAN portal and an online reporting system has been developed for reporting the dues and monthly payments by ministries, departments and CPSEs to the MSMEs, Chaudhary said.

SMEs have long been facing a problem of delayed realisation of their receivables, leading to liquidity constraints and a key reason for many of them turning into non-performing assets (NPAs).

Source: financialexpress.com - Dec 14, 2021

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Kerala mulls new retailing model for its handloom garments across markets

Kerala is looking at a new retailing model for its hand-woven garment products with a focus on upcountry markets. "The idea is to compete with other well-known handloom textile brands both in the country and overseas," P.Rajeeve, the State Industries Minister said.

The recent launch of the Kerala Kaithari brand for hand-woven fabrics is an ode to the State's rich handloom legacy and it is aimed at offering a collective identity for handloom products manufactured in the State. "The government intends to popularise and ensure greater visibility to the brand across the markets and through e-commerce platforms," he told BusinessLine on the sidelines of a function.

Asked whether the government is considering the business model adopted by well-known handloom retail chains for its Kerala Kaithari, the Minister said "such a retailing model can be considered as the USP of our handloom products is the quality. The collections under the new brand would be designed to appeal to the younger crowd and can compete vis-a-vis other brands". Moreover, actor Mohanlal can be roped in for the brand promotion across markets, the Minister added.

New framework

The government's efforts to promote the brand in the value-added hand-woven lining of clothing was taken up based on the project report prepared by the Directorate of Handloom and Textiles under the State Industries Department. The National Institute of Fashion Technology, Kannur, also presented a framework for its implementation.

The government, he said, has also taken various measures to promote the labour-intensive handloom sector. This includes making it compulsory for all the government employees to wear handloom clothes on Wednesdays. It is also to be ensured that the percentage of textiles purchased by the government departments and agencies were handloom.

The handloom manufacturing facility for making value-added products has been completed, which would start functioning shortly, Rajeeve said, adding that the government is also in the process of setting up a mega handloom cluster for production, marketing and exports.

Besides handloom fabrics, he said efforts are also on to try the e-commerce route for marketing products manufactured in the traditional sector such as bamboo and coir to reach out to a large audience.

Source: thehindubusinessline.com - Dec 13, 2021

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Manufacturing sees slow pick up post Covid

India's manufacturing sector is limping back to normal post Covid. Only 11 out of 23 manufacturing sectors have registered positive growth on a year-on-year basis up to October 2021, data from a report released by Mumbai brokerage house Nirmal Bang shows. In September, 13 sectors had registered positive growth.

The pharmaceuticals and chemical products, which had done well during the pandemic time, are now slowing down although they remain above pre-Covid levels, the report says. However, 15 of the 23 manufacturing sectors are above pre-pandemic level, which is encouraging. Sectors that are below pre-pandemic levels include refined petroleum products, textile apparel, paper products, beverages, printing, wood products, leather products and furniture.

IIP is growth flattening out but above pre-pandemic level. IIP growth for Oct'21 came in at 3.2% y-o-y, marginally below Bloomberg consensus estimate of 3.5% y-o-y (our estimate: 4% y-o-y). It was flat vs 3.3% y-o-y growth registered in Sept'21.

Mining output was up by 11.4% YoY in Oct'21 while manufacturing output was up by 2% y-o-y and electricity output was up by 3.1% y-o-y.

According to the goods-based classification, Capital Goods output was down by 1.1% YoY while Consumer Durables output was down by 6.1% y-o-y, mainly on account of lower automobile production.

IIP is 7.8% above Oct'19 level and is up 3.8% on a two-year CAGR basis, but the recovery seems to be flattening out.

On a sequential basis, boosted by the festive season, most sectors registered improvement (except Electricity, Capital Goods and Consumer Durables output).

Source: thehindubusinessline.com - Dec 13, 2021

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Nomura business index hits record high

The Nomura India Business Resumption Index rose to a record-high of 115.8 for the week ending December 12 from a downwardly revised 112.9 in the prior week. The uptick was led by all sub-components.

“Mobility indicators rose, led by the Google workplace (4.0 per cent points over the week) and retail and recreation (2.0pp) indices, and the Apple driving index (2.9pp). The labour participation rate picked up to 41.4 per cent from 40.5 per cent, its highest in eight weeks, and power demand reversed last week’s fall (a 3.7 per cent w-o-w gain after a 5.6 per cent decline),” Nomura said.

“Despite Omicron risks, neither policy restrictions nor the public fear factor appears to have had any impact on mobility so far, which is supporting a further normalisation in services. Also, after supply constraints induced declines in August and September, industrial output growth rose sequentially in October, although its pace appears to be plateauing,” it added.

Source: thehindubusinessline.com- Dec 13, 2021

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Udyam portal: Women MSMEs only 16% of total registered units so far; micro enterprises dominate

Ease of Doing Business for MSMEs: Udyam registration portal, which was launched in July last year to replace the Udyog Aadhaar Memorandum (UAM) portal, has crossed the 60-lakh-registration mark. As of December 12, 2021, 60.38 lakh MSMEs (new and existing) had registered themselves on the Modi government's new portal, analysis of government data showed. However, the share of women-owned MSMEs registered on the portal was only 16.6 per cent, of which 97 per cent were micro units.

10.04 lakh Udyam registered enterprises were women-owned as of November 31, 2021, since the launch of the portal, including 9.73 lakh micro units. Small (29,023) and medium enterprises (1,593) led by women represented 2.88 per cent and 0.15 per cent share respectively. The data was shared by MSME Minister Narayan Rane in Lok Sabha in a written reply to a question on Thursday. Information on the share of women-owned new enterprises registering on the Udyam portal and existing UAM enterprises switching to the new portal wasn't shared.

Importantly, the total women MSME registrations of 10.04 lakh on the Udyam portal, which came in the 17-month period (July 2020-November 2021), is already nearing the 11.78-lakh-women-MSME-registration mark on the UAM portal that took 27 months (FY19-June FY21).

According to MSME Ministry's 2020-21 annual report, out of 6.33 crore MSMEs, 6.08 crore were proprietary concerns, of which 79.63 per cent were owned by men while women-owned units were only 20.37 per cent even as that had increased from 13.72 per cent in the past 10 years. On the other hand, the current 10.04 lakh women units represented only 1.65 per cent of the overall proprietary MSME units in India.

Among many reasons for the low count of women MSMEs in India, according to experts Financial Express Online had earlier spoken with, are arguably unconscious biases, challenges in accessing finance and building own network, lack of safety in public spaces, sometimes not getting enough support from family, lack of child-care options, often lack of confidence in their own skills in business, etc.

“Women put their substantial time looking after family and in the remaining time pursue their passion. To expand that idea into a proper business, they need more time and physical space to first test their model. They can’t invest heavily directly into setting up an office or buying land for a factory while managing the family. There is no gender parity here as men can dedicate more time to work or business and invest more. That’s an unsaid truth,” said Shashi Singh, Chairperson at women entrepreneurs’ network — Consortium of Women Entrepreneurs of India had told Financial Express Online.

Source: financialexpress.com- Dec 12, 2021

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Bengaluru textile & garment traders launch postcard campaign against GST hike

Bangalore Wholesale Cloth Merchant Association have urged the Union government to drop the proposal to increase GST (Goods and Service Tax) on garments and textile industries from 5 percent to 12 percent. With effect from January 2022, the government has raised GST on finished goods such as garments, textiles, and footwear from 5 percent to 12 percent.

In a unique campaign, the association has decided to send postcards to the PMO (Prime Minister Office) daily from all the shops here in Bengaluru against the proposal. "From Karnataka alone we are sending 3,000 cards daily. Every shop is sending a minimum of five cards daily," says Bangalore Wholesale Cloth Merchant Association President Prakash Pirgal.

In a letter to Union Minister of Finance Nirmala Sitharaman, the association president stated, "A humble request to maintain status-quo: The textiles and garments shop owners are shocked to note the recommendations at the 45th GST Council Meeting, to Increase the G.S.T from existing 5 to 12 percent from 1 January 2022. [Increase by 140 percent]. Always our Government promotes roti, kapada and makan - the basic necessities of life at utmost minimal prices, so that almost every citizen of India, even below BPL could afford these basic necessities of life."

"One can see that our government subsidises the rates and makes them tax-free too, to be economical for all to afford these basic necessities and most of our textiles and garments manufactures come under above bracket. But it is terrifying to note that our government is contemplating increasing GST, on textile and garments from 4 percent to 12 percent.

This will create a negative impact and affect the total textiles and garments trade and industry, thereby resulting in the closure of lakhs of factories and shops which cause unemployment to thousands of people and loss of revenue to the exchequer," Prakash Pirgal mentioned. He said, almost 85 percent of textile trading shops and manufacturers are in the small and medium sector and are below Rs 40 lakhs turnover per annum and not in the GST ambit. But all pay GST on their purchases and contribute to government exchequer. "Please note that the GST of 5 percent is fully borne by these small traders and industries, and not passed to consumers," he explained.

"If the GST is increased, this would be a very huge burden to bear for our small and medium traders who may either pass on to consumers, which would cause inflation, or find it tough to compete with larger stores and are finally forced to shut down business," he further explained. He expressed the fear that several textile shops employing 4 to 10 people could vanish unable to bear the GST increase.

Any increase in GST could create a cascading negative effect and lead to the small and medium shops closure which directly leads to unemployment, Prakash said. "This colossal job loss would affect other trades namely hotel industry, travel, cargo, packaging and transportation. We are afraid that the loss of employment among illiterates, uneducated, handicap persons, now employed in small and medium businesses may lead to jobless starvation, suicide, arson and looting."

Source: thehansindia.com- Dec 13, 2021

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Rajasthan bags over Rs 74,000 crore investment proposals in Bengaluru

The Rajasthan Government on Monday bagged investment proposals worth Rs 74,312 crore, which comprise four MoUs and 15 Letters of Intent, at an investor connect programme held in the city.

The Confederation of Indian Industry (CII), along with the Rajasthan Government, hosted a programme on Monday as a precursor to the Invest Rajasthan Summit, due to be held in Jaipur on January 24-25 2022.

These investment committments came from technology-based industries, such as robotics, EVs, technical textiles, and renewable energy, along with conventional sectors of hospitality, healthcare and real estate.

JSW Neo Energy made a proposal to develop a 1,000-MW hydro pump-based energy storage plant in Sirohi district, at an estimated investment of Rs 4,900 crore, while Addverb Technologies plans to develop an industrial automation and robotics products manufacturing unit at Karoli EMC Zone in Alwar district. Rajasthan also bagged investment proposals worth Rs 160 crore from Mysore.

“Investor enthusiasm at the recent connect programme testifies to their confidence in the state’s potential and policies of the State Government. It has also raised our expectations of the success of Invest Rajasthan,” said Rajasthan Industries and Commerce Minister Shakuntala Rawat.

Source: newindianexpress.com - Dec 14, 2021

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